

## **Utah Tax Review Commission**

### **Proposal for Public Hearings: Comprehensive Study of Utah's Sales and Use Tax System**

April 29, 2009 Draft

#### **What is the Purpose of the Hearings?**

At its January 15, 2009 meeting, the TRC recommended "that a comprehensive study be undertaken of the state's sales and use tax system." One part of this comprehensive study is to better understand the issues surrounding imposing the sales tax on services purchased by households. These public hearings will focus on the practical and implementation questions that must be answered if Utah ever decides to expand its sales and use tax base to include these services.

These public hearings will only focus on implementation issues. It is anticipated that the TRC will also hold public hearings to receive public testimony on whether or not the sales tax should be extended to household services.

#### **How Many TRC Members Will Participate?**

It is anticipated that two or three TRC members will participate in each hearing.

#### **How Many Hearings Will be Held and Where?**

Salt Lake:	Two Consecutive Days (as outlined below)
Logan:	Two Consecutive Days (as outlined below)
St. George:	One Evening
Vernal:	One Evening
Moab:	One Evening

#### **What is the Agenda for the Public Hearings?**

1. Present background information on Utah's sales and use tax system:
  - a. Why is this an issue? Why is this a problem?
  - b. Explain uses of General Fund revenue
2. Present background information on what other states do? (statutes)

- a. focus on states with broad gross receipt taxes (South Dakota, New Mexico, and Hawaii)
3. Review the services that currently are and are not subject to tax in Utah
4. Listen to public testimony on the following question:  
"If the state were to do this, what are the practical issues that we need to know about?"

### **Who Will Be Invited to Participate?**

In locations where hearings are scheduled for two days, the schedule below will be used. In locations where hearings will be held in the evening, all groups listed below will be invited to attend at the same time.

## Schedule for Two-Day Public Hearings

First Day	
General Category:	Specific Professions and Occupations Invited:
Professions, services to businesses, legal Services	Accountancy Alternative Dispute Resolution Architecture Athlete Agent Certified Public Accountant Court Reporting Deception Detection Engineering Geology Private Probation Provider
Personal services, construction and trades, services to real property, residential construction industry, real estate industry, automotive sales industry, other service providers not licensed by the state	Athlete Agent Athletic Trainer Barber Building Inspector Burglar Alarm Contracting Cosmetology/Barbering Electrical Electrology Environmental Health Science Esthetics Factory Built Housing Funeral Service Land Surveying Landscape Architecture Nail Technician Plumbing Security Companies and Guards Real Estate Agents

Second Day	
General Category:	Specific Professions and Occupations Invited:
Health care services, mental health services, social services, and related services	Acupuncture Audiology Certified Dietitian Certified Medication Aide Certified Nurse Midwifery Chiropractic Controlled Substance Handling Controlled Substance Precursor Dentistry Dental Labs Dietitian - Certified Direct Entry Midwife Genetic Counseling Health Facility Administration Hearing Instrument Marriage and Family Therapy Massage Therapy Naturopathy Nursing Osteopathy Pharmacy Physical Therapy Physician and Surgeon Physician Assistant Podiatry Professional Counseling Psychology Radiology Recreation Therapy Respiratory Care Social Work Speech Language Pathology Substance Abuse Counseling Health Care Facilities

### When Will the Hearings Be Held?

Between June 8th and 26th.